

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Record Request Response

Record Request No.: AG-RR-50

Please provide the amount of capital investment, gas or electric, as a result of the addition of Newark America as a customer.

Response:

The FG&E Gas capital expenditures as a result of the addition of Newark America as a customer were \$206,066 as of 12/31/2001. Of this total, \$125,909 has been presented in the current Cost of Service as Rate Base-Plant in Service. The remainder of the expenditure (\$80,157) has been excluded from Rate Base because at December 31, 2001 it was recorded as Construction Work in Progress.

FG&E has signed an Agreement with Newark America dated August, 2001 (Attachment 1) which describes (in section 3) a refundable Construction Cost Advance Funding of \$247,456 (recorded in account 252-07 Customer Advances for Construction). This advance has not been recorded in Rate Base because it is a temporary advance, which will be refunded when Newark commences gas delivery under the Firm Transportation Tariff or special contract firm delivery service (as described in section 4).

There are no Electric capital investments related to the addition of Newark America.

Person Responsible: Mark H. Collin

AGREEMENT

THIS AGREEMENT, made and entered into by and between Fitchburg Gas and Electric Light Company ("Company"), a Massachusetts public utility corporation with its principal place of business at 285 John Fitch Highway, Fitchburg, Massachusetts, and Newark America ("Customer"), having its principal place of business at 100 Newark Way, Fitchburg, Massachusetts ("Facility").

WITNESSETH

WHEREAS, site is located at 100 Newark Way, Fitchburg, Massachusetts; and

WHEREAS, the Customer desires that the Company install its gas service to the Customer's Facility and the Company is willing to undertake the capital investment necessary to do so on the terms and conditions set forth herein.

NOW THEREFORE, intending to be legally bound and in consideration of the foregoing, the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Performance of the Company. The Company shall provide such gas equipment as shall be necessary to install its gas service to the Facility. The Company's obligations hereunder shall only be to provide for the ordering and the installation of gas equipment, and metering in compliance with all applicable laws, standards and codes.

2. Performance of the Customer. The Customer is responsible for all piping beyond the gas company meter fit necessary to use gas and will insure that such piping is in compliance with all applicable laws, standards and codes.

3. Construction Cost Advance Funding. The Company will make all investments necessary to install gas service to the Facility in accordance with this Agreement. Customer agrees to advance fund the cost of the required gas equipment and its installation and agrees to pay all advance funding invoices issued by the Company funding the \$247,456 gas service as outlined in Advance Funding Schedule A.

4. Advance Funding Refund for Project Completion. Upon completion of the Company's facility construction and within (10) days of Customer's commencing of taking gas delivery under the Company's Firm Transportation Tariff, or special contract for firm delivery service approved by the Massachusetts Department of Telecommunications and Energy, the Advance Funding will be returned to the Customer. The total amount refunded to the Customer shall equal the total sum pre-funded by the Customer.

5. Advance Funding Refund for Project Interruption. In the event Customer fails to take gas delivery under the Company's Firm Transportation Tariff, Customer hereby agrees that the Company shall be permitted to retain all amounts previously funded by Customer hereunder as reimbursement of the Company's expenses incurred in preparing to render gas service to Customer, subject only to the following: in the event the Company proposes to retain such amounts as aforesaid, the Company shall render an accounting or provide other evidence of the

costs actually incurred by it hereunder to Customer, and the Company shall either credit or reimburse Customer for any amounts paid by Customer hereunder in excess of such costs, it being the intention of the parties that Customer's obligations hereunder be only to pay the actual costs incurred by the Company in performing the work.

7. Time of Performance. The Company or its agent shall make permanent connections to the Facility as soon as reasonably practicable after this Agreement has been signed by both parties and the Customer is prepared to receive the necessary installations, provided, however, that the Company shall not be responsible for any losses to the Customer as a result of any delays in performance of its obligations hereunder other than a willful neglect of such obligations. If Customer is unprepared to receive the necessary installation within six months of the date of this Agreement, all the terms and conditions are subject to renegotiations by the Company.

8. Ownership of Gas Lines, Meters, etc. The Company shall at all times have title to and keep ownership and control over any gas lines and meters described or included in the performance of this Agreement and shall have the right to use any gas lines installed for the purpose of serving other customers.

9. Access to Company Property. Any properly identified employee of the Company shall have access to the premises of Customer for the purpose of reading meters, testing Customer's load, inspecting Customer's premises and equipment, or repairing, removing or exchanging any or all equipment belonging to the Company, including underground gas main and service lines.

9. Miscellaneous.

- a) Massachusetts Law to Apply. This Agreement shall be construed under and in accordance with the applicable laws of the Commonwealth of Massachusetts.
- b) Parties Bound. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.
- c) Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein.
- d) Prior Agreements Superseded. This Agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.


- e) Headings. The section and subsection headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.
- f) Notices. All notices shall be deemed given and received if delivered or deposited with a facility of the United States Postal Service with postage prepaid via certified or registered mail to the following addresses:

If to the Company, to: Fitchburg Gas and Electric Light Company
285 John Fitch Highway
Fitchburg, MA 01420
Attn: Key Account Executive

If to the Customer to: Newark America
100 Newark Way
Fitchburg, MA 01420
Attn: Dana Pelletier, General Manager

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives.

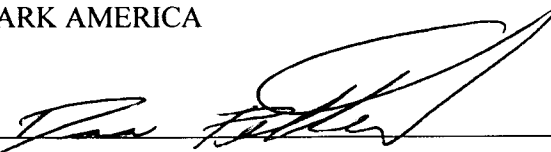
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

BY: 
NAME: Cindy L. Carroll

TITLE: Director, Business & Economic Development

DATE: 8/8/01

NEWARK AMERICA

BY: 
NAME: Dana Pelletier

TITLE: General Manager

DATE: 8/10/01

SCHEDULE A

Construction Cost Advance Funding.

The Company will make all investments necessary to install gas service to the Facility in accordance with this Agreement. Advance funding payments totaling \$247,456 will be made by the Customer to the Company in accordance with submitted invoices estimated as follows.

<u>First Invoice</u>	<u>Amount</u>
Due July 20, 2001	\$87,197
<u>Second Invoice</u>	<u>Amount</u>
Due August 20, 2001	\$84,656
<u>Third Invoice</u>	<u>Amount</u>
Due September 20, 2001	\$75,603
 Total of Invoices Submitted	 \$247,456